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Conflict reduction VS conflict resistance in hybrid organizations

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Extant literature on conflicting institutional logics management showed how hybrid organizations can adopt several strategies in order to increase their chance of survival when facing institutional complexity-induced tensions. The positive effect this strategies have is assumed to be caused by the reduction of institutional conflict inside the organization: however, through the use of an in depth longitudinal case study of a hybrid social enterprise, this article shows how this is not necessarily always the case, as certain types of strategies do not reduce such internal conflict despite still increasing the survival chance of the hybrid organization. A new model is provided of the relationships between a) conflicting logics management strategies, b) tensions inside the hybrid organization, and c) survival of the organization, considering also an organizational "threshold of sustainable conflict" as a new element.

INTRODUCTION

Hybrid organizations are organizations incorporating elements from different institutional logics (Pache & Santos, 2013). On the one hand, this allows them to better operate in the face of institutional complexity (Greenwood et al, 2011) - an increasingly recurring characteristic of modern, complex societies (Kraatz & Block, 2008) - and enables them to better tackle the complex problems posed by pluralistic institutional environments (Jay, 2013). On the other hand, they have to endure particularly high internal conflict (Greenwood et al., 2011), caused by the incompatible prescriptions of the different institutional logics they follow (Greenwood et al., 2011). Institutional conflict-induced tensions arise inside them any time a choice has to be made to either comply with the demands of one logic or the other, as satisfying one demand might imply not satisfying the

other. This makes hybrid organizations inherently difficult to manage, as such tensions can seriously hamper performances, and even bring to organizational paralysis or breakup (Glynn, 2000; Pache & Santos, 2010).

Recent works (Battilana & Dorado, 2010; Lee, 2013; Pache & Santos, 2010, 2013; Villani & Philips, 2013) analyze the management of conflicting institutional logics inside hybrid organizations and found a series of strategies effectively used by hybrid organizations to manage conflicting institutional logics with a positive effect on organizational performance and survival. Such strategies, through different means, seem to build on the assumption that conflict management coincides with conflict reduction. However, these strategies, enact very different mechanisms when managing internal conflict - eg. integrating practices (Battilana & Lee, 2014) and compartmentalizing (Kraatz & Block, 2008) - although achieving the same final results of increased performance and survival. These inconsistency suggests the need for further research as there might be a deeper complexity of the studied phenomena than assumed till now. These reasons call for further exploration and better description of the strategies enacted by hybrid organizations in managing the different institutional logics they are built on.

We present an in depth case study of a hybrid social enterprise to show how strategies based on integration practices - that is, strategies built on the stressing and leveraging elements able to satisfy at the same time demands from competing institutional logics - do not reduce instances of tensions inside the hybrid organization. However they still have a positive impact on its performance and survival. Such strategies achieve such positive effect not through conflict reduction, as it arguably happens in insulating and balancing practices-based strategies, but through the enhancement of the organizational resistance to internal conflict. On these premises, a model of the relationship between conflicting institutional logics

management strategies, conflict, and performance is built, showing how hybrid organizations can try to manage competing institutional logics-derived conflict in two different ways: reducing the conflict deriving from the competing institutional logics, and/or increasing their resistance to such conflict. Then, potential implications regarding the choice between the different strategies are also provided.

LITERATURE REVIEW

Following the growing body of literature on hybrid organizations, we base our discourse on the institutional logics introduced by the work of Alford & Friedland (1985, 1991) as the practices and beliefs inherent the institutions typical of modern western societies, and further developed by Thornton et al (2013). Institutional logics consist in "the taken-for-granted social prescriptions that represent shared understandings of what constitutes legitimate goals and how they may be pursued" (Battilana & Dorado, 2010, p. 1420) and thus they direct the action of organizations and individuals inside a given field. Any fields is characterized by institutional logics which determine its norms, rules and conformity inside it (Reay & Hinings, 2009; P.H. Thornton & Ocasio, 2008). However, in emerging fields not yet completely institutionalized, or in fields going through periods of great changes, there can be the presence of different institutional logics whose demands and prescriptions are not compatible with each other, thus exerting a strain on the organizations trying to follow them (Greenwood, Diaz, Li, & Lorente, 2010; Greenwood et al., 2011). This situation, in which multiple logics occur in a particular context and exert different pressures and influences, is defined as "institutional complexity" (Greenwood et al., 2011; Pache & Santos, 2013; Villani & Philips, 2013) and is becoming an increasingly recurring environmental feat in today complex and fast changing society (Kraatz & Block, 2008).

Initial research on institutional complexity focused on the interplay between organizations and the institutional fields around them, focusing on the reactions of organizations towards conflicting demands imposed by external constituents of specific logics (Greenwood et al., 2011; Kraatz & Block, 2008; Oliver, 1991; Pache & Santos, 2013). These works proposed different organizational responses, strategies, and mechanisms, organizations resort to when facing conflicting demands from the "outside"; for instance Oliver (1991) proposes a classification of the different organizational strategic responses to institutional processes composed by five strategies - Acquiescence, Compromise, Avoid, Defy, and Manipulate - each one subdivided into different possible tactics.

More recently, a specific line of research has been developed on a particular type of organization facing institutional complexity: hybrid organizations. Hybrid organizations "combine aspects of multiple organizational forms" (Battilana & Lee, 2014, p. 3) by drawing elements from multiple institutional logics (Battilana & Dorado, 2010; Battilana & Lee, 2014; Pache & Santos, 2013). However this exposes them to institutional complexity coming both from the external constituents of the logics and from the constituents of such logics active inside the organization. This creates conflict both with external constituents of the logics and among the parties representing the different logics, as shown by Battilana & Dorado (2010). As hybrid organizations present internal constituents of multiple institutional logics, such works started focusing more on the inter-organizational representations of field-level institutional logics (Battilana & Dorado, 2010; Battilana & Lee, 2014; Pache & Santos, 2010), and on the conflict these creates inside the hybrid organization. Such internal conflict deriving from having different institutional logics inside the organizations is not trivial, because hybridity exposes organizations to negative consequences deriving from conflict-created strain, and the more incompatible are the competing logics, the more severe is the conflict and

its consequences: these can be performing, belonging, organizing, and learning tensions (Smith, Gonin, & Besharov, 2013; Smith & Lewis, 2011); intra-organizational identity conflicts (Battilana & Dorado, 2010; Fiol, Pratt, & O'Connor, 2009); internal power struggles (Pache & Santos, 2010) and even, to the extreme, organizational paralysis or breakups (Glynn, 2000; Pache & Santos, 2010; Vallaeys, 2004). Internal conflict deriving from following competing institutional logics has thus negative consequences on hybrid organizations' operations/productivity and their very same existence, and has, therefore, to be managed.

Conflicting institutional logics management strategies

Indeed, extant literature on hybrid organizations analyzed different answers that hybrid organizations use to face institutional complexity, and a number of responses arguably applicable also to hybrid organizations can be derived from literature studying organization in general answering to institutional complexity and organizational identity-related conflict. However, as noted by Pache and Santos (2013), not all the strategies and organizational responses to conflicting institutional logics might be applied to the specific contexts of hybrid organizations: the reason being that their conceptualization does not consider the presence of multiple institutional logics inside the organization - which is the main characteristic of hybrid organizations. The type of strategies we are interested in are those already implying the presence inside the organization of elements taken from multiple competing logics - that is organization already considerable hybrid facing institutional complexity. Indeed recent literature provided us with several strategies/organizational responses compatible with this and a list of the strategies considered by this article is provided in table 1.

Although they all achieve a final positive impact on the hybrid organization's survival against internal institutional conflict, the strategies enact different the core mechanisms, which we divide in three categories, internal insulation, internal balancing, and internal integration.

Insert table 1 about here

Internal insulation strategies

A first set of strategies rely on the base mechanism of keeping the different elements of the institutional logics separated in order to avoid potential occurrences of conflict between them. Several examples of this type of management have been provided by different strains of literature on institutional complexity, identity and institutional logics. For instance, Raynard & Greenwood (2014) explain how conflicting logics inside hybrids can be managed by keeping the logics inside the organization as separate as possible, by making the parts inside the organizations that follow different logics function independently from each other. This situation creates a "structurally compartmentalized hybrid…[that]…eases the experience of complexity" (Raynard & Greenwood, 2014, p. 14-15). Arguably, this allows to "compartmentalize identities and relate independently to various institutional constituencies" (Kraatz & Block , 2008, p. 16), and can be achieved by "creating separate units and initiatives that demonstrates…commitment to the values and beliefs of particular constituencies" (Kraatz & Block, 2008, p. 16). This compartmentalization can also be achieved over time (Jay, 2013; Kraatz & Block, 2008): "by oscillating or shifting the focus from one set of institutional demands to another, the organization can sequentially attend to divergent logics" (Raynard & Greenwood, 2014, p. 15).

Internal balancing strategies

Other strategies put emphasis on partially complying with the conflicting logics, thus trying to achieve a viable balance in the satisfaction of their various demands. Here there is no emphasis in keeping the elements of the logics separated, but rather in providing at least a minimum satisfaction to both the logics in play, possibly in an equal manner in order to maintain the balance between the logics. For instance through Compromising strategy (Kraatz & Block, 2008; Oliver, 1991) the various demands from the competing logics are only partially satisfied, thus achieving a balance between the competing demands satisfaction of the two logics. Although compromising strategies as defined by Kraatz & Block (2008) and Oliver (1991) do not specifically consider hybrid organizations, it can be argued that the mechanism of achieving a balance between the demands satisfaction of the competing logics can happens also in hybrid organizations, with the difference that in normal organizations facing institutional complexity the opposing logics are one internal and one external, or both external to the organization, whilst in the case of hybrid organizations, the competition, and thus the balancing/compromising, happen between two logics that are both internally represented. Another strategy to achieve such balance used by hybrid organizations to manage conflicting institutional demands is the Selective Coupling analyzed by Pache & Santos (2013), which consists in the selection and satisfaction of intact demands drawn from both logics: this means that not all the demands of one logic are satisfied, but those that are, are fully satisfied. Thus a final balance is achieved looking at the whole set of demands imposed by the logics instead that at the level of same-level competing demands.

Internal integration strategies

Other strategies to manage internal conflicting institutional logics imply the creation, stress, or use of common elements between the logics, able to satisfy at the same time, in a non-exclusive way, the demands of both logics. These strategies differ from the other two because of the presence of some elements answering at the same time to demands from different institutional logics. For instance, Battilana & Dorado (2010), describing the case of a hybrid microfinance organization, highlight the importance of building a common identity in order to reduce potential conflict between the social and the commercial logics. This strategy helped Los Andes organization to "avoid the emergence of an intractable identity conflict" (Battilana & Dorado, 2010, p. 1434-1435) thanks to the fact that this allowed the internal carriers of the two logics to polarize around what they shared instead of what set them apart. Another instance of behaviour with a positive effect on conflicting institutional logics management in hybrid organizations is provided by Lee (2013), who shows how hybrid ventures "may engage in integrated practices that simultaneously advance the goals of both forms" (Lee, 2013, p. 13) which then can be expected to "attenuate the intra-organizational challenges that arise from the demands of multiple forms" (Lee, 2013, p. 17). More specifically, the concept of integrated practices is deepened in Battilana & Lee (2014) where they are presented as a "common set of activities" (p. 16) that allow the goals of different logics inside the organizations to be advanced together, thus affecting "the degree to which hybrid organizations experience tensions between their multiple forms, as integrated activities circumvent potential paradoxes in the allocation of human, financial and attentional resources" (p. 16).

Insert table 2 about here

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Strategies' outcomes

Much research has focused on the organizational answers towards institutional complexity at the field level, with mostly only recent works focusing on organizational strategies to cope with the internal manifestations of institutional complexity. Furthermore such studies mainly focused on the effect of such strategies on survivability and performances of the organizations using them, without investigating deeply inside the organization itself by looking at how such strategies influence conflict between the institutional constituents of the logics inside the organization. For instance, Battilana & Dorado (2010) show how managing conflicting logics by creating a common identity through particular hiring and socialization techniques allows hybrid organizations to better survive and scale up performances when competing logics are followed inside the organization; Pache & Santos (2013) show how "selective coupling" also allows hybrid organizations to better "survive and thrive when embedded in pluralistic institutional environments" (p. 972); Lee (2013) and Battilana & Lee (2014) give evidences of how the use of integrated practices and common sets of activities can increase their performance and ability to manage conflicting institutional logics. Following the previous attempted classification, we can thus see how the three families of strategies have been proven to have positive effects on hybrid organization survival and performances, as they, despite the different mechanisms enacted, allow to better manage competing institutional logics and diminish the negative impact of intra-organizational institutional conflict on organizations' performance and survival. However, previous research does not specifically focus on the impact on internal conflict between competing logics inside the organization leaving open the question of how this competing logics management impacts on conflicts inside the organization. In the case of insulation strategies extant literature

provides different suggestions regarding the effect on internal conflict, as for instance, (Pratt & Foreman (2000) argue that, with regards to identities, "compartmentalization does not necessarily decrease the potential for conflicts between identities, because it does not facilitate an understanding among managers regarding how multiple identities might work together" (p. 28); on the other hand Raynard & Greenwood (2014) argue that different instances of compartmentalization/separation might allow organizations to reduce tensions between constituents of different logics, and/or conflict on goals in order to reduce complexity. Indeed it is reasonable to think that keeping the manifestation of the two logics separated (e.g. physically, spatially, and symbolically) might at least prevent the occurrence of potential tensions between them. With regards to Balancing Strategies, Pache & Santos (2013) only suggest that Selective Coupling can allow hybrid organizations to "lessen…harmful internal conflicts" (p. 995) under certain preconditions - i.e. no conflicts on goals -. Finally, Battilana & Dorado (2010) note that "such a common identity [would] prevent the emergence of subgroups whose different identities emphasize the tensions between the logics combined", thus suggesting that such a common element could have a negative impact on internal tensions, at least hindering their occurrence. More general remains the connection between common set of activities and internal conflict, as Battilana & Lee, (2014) suggest that "the level of integration…[of activities from different logics]…are likely to affect the degree to which hybrid organizations experience tensions between their multiple forms, as integrated activities circumvent potential paradoxes in the allocation of human, financial and attentional resources" (p. 16).

We would like to deepen research on how intra-organizational institutional conflict itself is influenced by these strategies, thus investigating a part relatively unexplored of the relationship between a) conflicting institutional logics management strategies, b) intra-

organizational conflict and tensions, and c) survival/performance. A better understanding of this relationship would allow us to understand what are the consequences of the different strategies, as the nature of the mechanisms they rely upon is quite different (e.g. integration vs insulation mechanisms) and they might have different outcomes in the same situation.

In order to add to research on conflicting logics management, the aim of this article is to look more specifically at the outcomes of this strategies in relations to the internal tension/conflict in the hybrid organization, with a final discussion on the organizational level outcomes of survival and performances. To investigate further what "conflicting institutional logics management" means in relation to instances of institutional conflict internal to the hybrid organization, we address the following research questions, the first more general and the second more specific:

RQ 1: How do hybrid organizations deal with conflicting institutional logics at the intra-organizational level?

RQ 2: How do different conflicting institutional logics management strategies influence conflict/tensions inside hybrid organizations?

METHODS

A case study of a social enterprise - here defined as organizations that have both business and social impact at their core - is presented in order to explore how different conflicting institutional logics management strategies impact on the tensions inside hybrid organizations. Recently, social enterprises have been consistently used as context of study by literature on hybrid organizations (e.g. Battilana & Dorado, 2010; Battilana & Lee, 2014;

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Pache & Santos, 2013) as they provide a good example of competing logics coexisting under the same organizational roof. Social enterprises pursuing a social objective through entrepreneurial means have to draw at the same time from "social" institutional logics typical of the nonprofit field, and "business" institutional logics typical of the for-profit field, and, given the differences in contents, objectives, and means, the coexistence of these two logics is very likely to create tensions inside the social enterprise (Smith et al., 2013). We present the case of an Italian social enterprise, hereafter referred to as Gigis, that effectively operates at the same time in the for-profit market of ambient-frarances production and in the nonprofit field of social integration (re-habilitation of difficult individuals, and integration of handicapped persons). Gigis, formally a social cooperative, on the one side operates as a normal social oriented venture providing a series of welfare services: it provides afterschool care and study aids for disadvantaged youths - mentally, physically and/or socially. It provides work opportunities and day-care for adults with mental health problems and/or social disadvantages like ex-convicts and ex-addicts. On the other side, Gigis is the owner of an ambient-fragrance brand, hereafter referred to as GoodStrong, whose perfumes production employs the disadvantaged individuals Gigis cares for. It is important to notice how GoodStrong currently quite successfully competes on the home-fragrance market with other normal firms, and is able to provide normal salaries to all the people involved in the production, as well as provide additional economical resources for Gigi's other activities. This mix of nonprofit and profit activities makes Gigis a good case of hybrid organization as it has to relate at the same time with the different demands of the ambient-fragrance market logics, centered around profit and business growth, and the nonprofit field logics, centered on social value creation through care and reintegration of disadvantaged individuals.

Data Collection and Analysis

We conducted two distinct data collection phases on the site of the organization's operations, the first one lasted two weeks, from February to March 2014, and the second one lasted five weeks, from May to June 2014. The objective of the first phase was to understand the organization in order to be able to create a "map" of its activities and units, the people employed, how different logics were reflected inside the organizations, and to detect where conflicting logics related tensions were more likely to happen. In the second phase we focused only on those organizational sites and people where we assessed the presence of tensions related to the presence of multiple logics, in order to understand how they unfolded and how they were treated by the organization's management. Four types of data were collected: semi-structured interviews with very explorative orientation (Glaser & Strauss, 1967) during the first phase of the study; a second round of more structured interviews during the second phase of the study, which were focused on a deeper analysis of tensions inside the organization; field notes developed during the stay in the organization in both phases of the study (Jenner et al, 2004); archival data on the organization's activities, both from internal and publicly available documents. During the first phase of the study a series of explorative interviews were conducted in order to understand the organization's activities, as well as the role of individuals inside it and the logics they followed. Interviews were collected and recorded with nine different people covering key roles in the main activities of the organization (see table 3): the three managers composing the board of the Gigis and heads of, respectively, the social activities of the organization, and the market and production activities of the GoodStrong brand; the three employees working in GoodStrong brand market activities and three of the employees working in the social activities of the organization. Unfortunately, due to legal concerns, it was not possible to interview and record the disadvantaged

individuals working in the production of the home-fragrances. For this first round of interviews, the interview guide was based on three major themes: a) description of the organization; b) previous jobs/activities and self description of the interviewee; c) role and activities of the interviewee and the other people in the organization. All data were then subjected to a round of open coding (Saldaña, 2012), in order to build a map of the organization, with a particular focus on actual or potential instances of tensions between the two logics. The second data collection phase was then focused on a deeper investigation of the tensions identified in first phase of the study: a second round of five interviews were collected and recorded with the individuals that mentioned tensions experience (their own or others') in the first round of interviews (see table 3), and observation took place only in the specific physical places where they operated. The interview guide line for this second round of interviews mainly consisted in further probing on the tensions instances identified in the first round, as well as further clarifications on subjects not completely covered previously.

Insert table 3 about here

FINDINGS

Organizational structure and logics inside the organization

As a result of the first round of data collection and analysis we were able to build a "map" of how the two social and commercial logics were distributed inside the organization.

The organization can be divided into two main branches, one strongly focused on the social logic and the other one strongly focused on the commercial logic, with distinct individuals and activities inside them; in addition to these, there are two units, the management board and the GoodStrong's fragrances production unit, characterized by the presence of elements, activities and individuals relatable to both social and entrepreneurial logics.

In the social activities branch of the organization a number of social welfare services are provided to disadvantaged individuals: first of all, day care and study aids to handicapped children, and children coming from at-risk contexts such as disadvantaging poverty, difficult home environments, and foster homes. Then also work reintegration and employment opportunities are provided for disadvantaged adults with mental health problems, ex-convicts and ex-addicts. These activities are partially developed in a collaboration with local regional public bodies, and can unfold in two ways: either the public bodies directly assign to the care of the organization specific individuals, in these cases providing resources to cover the services expenses; or they only signal particular individuals who are in need of the social services provided by Gigis, but are not eligible for public resources to be provided for them. The latter is the case of the majority of the individuals serviced by the organization, as local public bodies only fund one third of the social activities of the organization, whilst the rest of the resources are provided by the reinvestment of the income generated by the activities of the entrepreneurial branch. The activities characterizing this branch of the organization are consistent with those of typical nonprofit sector organizations, which are characterized by a typical social impact seeking logic. Indeed, looking at the activities enacted, the objective pursued, the means to achieve them, and the individuals employed in this branch of the organization, they all conform to logics typical of nonprofit fields. Such "social" logic moves around the goal of helping disadvantaged individuals, which is done by providing care and

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educational support in the case of children, and by providing work opportunities as a form of social reintegration, in the case of adults. Consistently with this goal, also the individuals employed to provide such services come from the third sector and represent internal constituents of the "social" logic inside the organization: all of them either come from previous jobs in third sector venture, or, in the case of younger people, they obtained degrees consistent with third sector jobs. From the interviews it was possible to notice how the belief system of the people employed in the social activities is strongly coherent with and rooted on the values of helping disadvantaged people.

The commercial branch of the organization takes care of all the aspects of the ambient-fragrances business: the activities carried on by this part of the organization comprise product development, suppliers management, marketing, direct sales and sales representatives management. More than twenty different fragrances are commercialized under the GoodStrong brand, through online sales, retailers and direct sells to customers. Currently Gigis sells Goodstrong products in three different markets: big-ambient scenting systems to retail chain store, medium-ambient scenting systems to hotels, and small home-diffusers for to single customers. The main goals followed by this part of the organization are typically entrepreneurial, with a great focus on performances, efficiency, and product quality. This is consistent with the "commercial" logic typical of normal for-profit organizations and the individuals employed in the GoodStrong brand activities all come from a for-profit background, as they were previously employed in other firms or, if at their first employment, come from a business/management related education. Such commercial activities grant the organization enough income to fund also part of the activities of the social branch.

These two branches operate independently from each other, with no connections between their activities and with separated identities and belief systems: the social activities

branch follows a pure social logic, whilst the commercial activities branch is characterized by a pure commercial logic.

However, connection inside Gigis between the two logics is present inside two organizational elements: the management board and the production unit of the fragrances. In the management board there is a mix of social and commercial logics, with the presence of the manager in charge of the commercial side of the organization, the manager of the social activities, and, finally the manager supervising the operations in the production unit. If the two managers from the social and commercial units operate following goals and means consistent with the logics characterizing the two branches they supervise, the manager supervising the production units mirrors both social and commercial logics in his action and belief system: on the one side, his social goal is that of producing job opportunities for the disadvantaged individuals, in order to ease their social reintegration and also give them an higher sense of dignity and personal growth; but, on the other side, he does not reject efficiency and value production as criteria for their job evaluation. This said, the management board presents instances of a mix of both logics, with one individual following the commercial logics, one following the social one, and one able to relate with both of them.

Finally, the production unit also presents mixed elements from both logics, although in a peculiar way: on the one side the production is carried on by disadvantaged individuals, consistently with the idea of using work in order to reintegrate them; on the other side they compose the main human resource in the GoodStrong fragrances production and are to follow efficiency criteria consistent with a competitive market. The production unit activities as a whole represents a mean to satisfy both logics' final goals of disadvantaged individual reintegration [social logic goal] and profit creation [commercial logic goal]. A graphical

representation of the organizational structure and how the logics are followed inside it is provided in table 4.

Insert table 4 about here

Tensions inside the organization and conflicting institutional logics management

Building on the prior analysis it is possible to see how three different combination of logics are present inside Gigis organizational structure: we have the social and commercial branches of the organization which are internally characterized by the presence of only one logic, and are then kept separated with minimal point of contacts. The individuals employed in them are not involved in the activities of the other branch, and there are no exchanges between the two sides, except for the production unit. This structural organization is consistent with the "insulated" situation created by compartmentalizing strategies (e.g. Kraatz & Block, 2008; Pratt & Foreman, 2000). Interviews with the management team confirmed how this was a deliberate choice: initially, individuals from both commercial and social logics backgrounds were employed in both branches, but this resulted in high tensions between them, as the means they were accustomed to use were in conflict with the goals they were asked to pursue, and even the very same goals they were asked to pursue were often contested. In order to eliminate this situation of means-goals and goals-goals conflict (Pache & Santos, 2010) between the constituencies of the two logics, the management team resorted to neatly separate the social and commercial activities of the organization into two not-communicating branches, each one with its peculiar type of professionals. Indeed this choice

greatly reduced the conflict between the two logics in the organization by preventing any potential occurrence of tensions between the individuals following the two different logics, mostly because the demands posed by the them are treated in different parts of the organization.

However, the management board presents a different situation: constituents from both logics are here present and the management board as a whole has to face demands imposed by both the commercial logic - mostly brought on by the GoodStrong brand manager - and the social logic - brought on by the social activities branch manager. Tensions here arise any time a choice has to be made whether to use resources to comply with social logic imposed demands or commercial logic imposed demands: a typical instance of this regards the destination of the economical resources obtained by GoodStrong business, with the commercial branch manager willing to reinvest them in the business in order to increase future returns, and the social branch manager willing to use them to immediately fund the social activities of the organization. Conflicting demands are here answered using what appears a "balancing" approach (Oliver, 1991), as a final accomodation is usually found that has the conflicting interests of the different managers partially satisfied. With regards to the impact of such balancing accomodation on tensions inside the management board, these solutions achieve the result of not making the conflicts escalate. The partial satisfaction of demands from both logics achieves thus a negative impact on the overall tensions inside the organization, although not as strong as that of using insulation strategies.

Finally, the production unit provides an example of integration: from the organizational point of view such unit satisfies at the same time both certain demands of the commercial logic - through the production of the goods necessary for GoodStrong business - and the demands of the social logic - through providing job opportunities for the

disadvantaged individuals the organization cares for. This unit's embodies "a common set activities" (Battilana & Lee, 2014, p.16) through which both social and commercial goals are advanced together. As expected by extant literature, the presence of such integration affected the degree to which the organization experienced tensions between the two logics inside it, although in a peculiar way: if insulation strategies directly tackled conflict by reducing the antecedents to it, and balancing strategies prevented rises in conflict by partially satisfying conflicting demands from both logics, the presence of integration did not directly eliminated the causes of conflict, nor eliminated conflict itself, although still had a positive impact on how the organization experienced tensions. Such effect was particularly clear in the management board: the presence of integrated activities created a common ground to which both managers from the two branches could relate to, giving them something in common that made the tensions among themselves more sustainable. It must be noted how the tensions caused by the different logics they followed were still there, as well as their causes, but they were postponed, or experienced by the manager as less important in relation to the presence of a common goal or mean pursuable by both of them. The strategies enacted in relations to the different organizational elements are shown in table 5.

Insert table 5 about here

Conflict reduction VS Conflict resistance

Interestingly enough, leveraging on the common elements between the two conflicting logics (in this case the activities enacted by the production unit) seems to allow the

organization to resist the conflict deriving from not-answering the other demands, without

changes in the intensity of conflict itself or in the causes that brought to it. This suggests the

existence of a "resistance to conflict" as a separated concept from the level of conflict itself.

Attention is brought to the fact that practices that can be associated with integrating strategies

use a common element between the competing logics (whether this is possible depends on the

two logics) and exploit it to answer at the same time different demands from the competing

institutional logics. In a nutshell, they find the one answer that satisfies two different

institutional demands. This mechanisms (e.g. processes creating both social and economic

value at the same time) are enacted when, among the different institutional demands imposed

by the different institutional logics, there are two that can be satisfied in the same way and at

the same time by the same element, thus partially blending the two. The strategies that build

on this mechanism are typically characterized by the stressing and leveraging of the common

elements existing in both conflicting logics. This is consistent with the findings of other early

stage researches on institutional logics integration (Lee, 2013; Villani & Philips, 2013).

However, the final positive effect they have on how the hybrid organization experiences its

internal tensions is achieved in a different way compared to balancing and insulation

strategies. On the one side insulation and balancing techniques directly act on internal

tensions by hindering their development, or by eliminating their antecedents, whilst

integration practices do not reduce tensions themselves, but increase the ability of the hybrid

organization to sustain them. Nonetheless, all the strategies eventually have a positive impact

on the final survival chance of hybrid organizations. These findings seem to move against the

main idea in literature that institutional conflict management is strictly a function of the level

of conflict the organization is facing, but actually show the importance of a firm's own

resistance to such conflict. Such resistance is influenced by integration strategies, whilst balancing and insulation strategies directly impact on the level of conflict by reducing it.

Building on this, a new model is proposed (see table 6): consistently with previous research, the usage of balancing and insulating strategies reduces conflict inside the organization (balancing and insulating strategies are negatively correlated with conflict), and the reduction of conflict raises performance/survival (conflict is negatively correlated with survival); however, the usage of integrating strategies does not impact on conflict intensity, but raises the organizational resistance to conflict (integrating strategies are positively correlated with resistance to conflict), and a higher resistance to conflict raises performance/survival (resistance to conflict is positively correlated to survival).

Insert table 6 about here

Therefore, hybrid organizations can reduce the chances of paralysis/breakup in two ways: by using organizational responses that reduce conflict - insulation and balancing strategies - or by using integration strategies, which have the effect of raising the resistance level of the organization, thus raising the sustainable threshold of conflict before paralysis/breakup.

DISCUSSION

A first important implication is that the consequences of internal institutional conflict management are not strictly a function of the level of conflict inside the organization, but also depend on a firm's own resistance to such conflict. Hybrid organizations' success in institutional conflict management is thus determined by two main dimensions: 1) conflict, and 2) conflict resistance, which together determine the threshold of sustainable conflict of the hybrid organization.

A second important implication is related to whether integration strategies are preferable or not to insulation and balancing strategies. All strategies are shown to have similar positive impact on final survival performances of hybrid organizations, however the situation might be different in relation to the overall performances (both social and commercial) of the hybrid organization: balancing and especially insulation strategies reduce the interplay between the elements of the two logics in order to diminish conflict and this deprives the organization of potential opportunities created by the synergies between the two logics. For instance this could lower the innovative capabilities of hybrid organizations, which can be important sites of innovation (Reay & Hinings, 2009; Stark, 2009)(Reay & Hinings, 2009; Stark, 2009), or it might hinder the chances of the hybrid organization to create new practices, or potentially affirm itself as a new institutional form (Murray, 2010; O'Mahony & Bechky, 2008; Reay & Hinings, 2009) thus preventing in the long run a true blending of the different institutional logics.

As noted by extant literature, internal logics multiplicity presents hybrid organizations with both threats and opportunities (Besharov & Smith, 2014), as it might threatens performances and lead to organizational demise (Tracey, Philips, & Jarvis, 2011), but could also make hybrid organizations more innovative, enduring and performing (Battilana & Lee,

2014; Jay, 2013; Kraatz & Block, 2008). We argue that the type of strategy enacted to manage the internal tensions caused by logics multiplicity plays an important role in the exploitation of such opportunities and reduction of such threats: insulation and balancing strategies in reducing the negative outcomes of logics multiplicity also hinder the exploitation of the opportunities provided by it; whilst integration strategies provide a way to reduce the threats without jeopardizing the opportunities coming from having multiple logics inside the organization.

Limitations and Future Research

This article is currently in an very early development phase, which provides a series of important limitations: first of all, only one case of hybrid organization is provided, thus reducing the generalizability of the findings. Furthermore, the study currently covers a limited amount of time of the organization's life, thus giving limited longitudinal ground to the argumentations provided. Indeed, at least two other hybrid organizations will be added in future to the study, and the organizations will be followed for at least two years.

A second important limitations is provided by the absence of the field dimensions in relation both to logics representations and contents, and to tensions towards external constituents of the logics: the study currently considers only the interplay between competing logics and tensions inside the organization. This implies that, at the current state, this study does not offer that nestedness (P.H. Thornton & Ocasio, 2008) necessary to understand the whole "interplay between individuals, organizations and institutions" (p. 120). This article indeed only focuses on the internal organizational dynamics related to conflicting logics management strategies.

CONCLUSION

Literature on hybrid organizations and conflicting institutional logics does not specifically focus on the relationship between different conflicting institutional logics management strategies and internal tensions inside hybrid organizations. We contribute to such line of research by specifically investigating how different strategies already proposed by literature impact on the tensions inside a social entrepreneurial hybrid organization. A comparison between the different strategies is provided and it is suggested how the different mechanisms enacted have a different impact on internal conflict between the logics, although still having a final positive impact on the survival performances of hybrid organizations. Building on the case study, a new framework is provided, based on the differentiation between the two dimensions of "conflict intensity" and "conflict resistance". The introduction of the "conflict resistance" dimension allows to better understand the differences between the strategies that hybrid organizations might implement. Furthermore, differences in conflict resistance, implying a different threshold of sustainable conflict between hybrid organizations, could explain how it is possible that organizations with very high conflict are able to manage it, whilst others succumb to even mild conflict and why, albeit facing similar levels of internal conflict, different hybrid organizations react in different ways and with different outcomes (Greenwood et al., 2011), or why there are divergent and inconsistent outcomes regarding conflict (Besharov & Smith, 2014). We hope that this will at least shed light on the importance of further explorative research on the subject of conflict resistance and organizational structure in hybrid organizations, whereas previous research mainly focused on

the intensity of the conflict deriving from competing institutional logics as a dimension of study.

Finally, from a managerial perspective, the comparison between the different strategies suggests some important advantages of integration strategies over insulating and balancing strategies, thus arguably making them, if a choice is possible, a better solution to manage the tensions deriving from logics multiplicity inside hybrid organizations.

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TABLES

Table 1. Instances of different conflicting institutional logics management strategies

Internal Insulation			Internal Balancing			Internal Integration		
Kraatz & Block, 2008	Compartmentalizing	"Relate independently to various institutional consistituencies…by sequentially attending to different institutional claims, and/or by creating seaparate units and initiatives" (p.16).	Pache & Santos, 2013	Selective coupling	Selection and satisfaction of "intact demands drawn from both logics" (p.987); combination of "intact elements from either institutional worlds" (p.995)	Battilana & Dorado, 2010	Common identity building	"Building of a common organizational identity based on operational excellence" (p.1432), allowing polarization on what they shared more than on what set them apart.
Raynard & Greenwood, Working Paper	Structurally compartmentalized hybrid	Creation of "structurally independent units, each accomodating the demands of one logics" (p.14).	Oliver, 1991	Balancing	"Accomodation of multiple constituents demands in response to institutional pressures and expectations…organizational attempt to achieve parity among or between multiple stakeholders and internal interests" (p.153)	Lee, Working Paper	Practice integrations	"Hybrid ventures may engage in integrated practices that simultaneously advance the goals of both forms" (p.13).
Pratt & Foreman, 2000	Compartmentalization	"The organization and its members choose to preserve all current identities but do not seek to attain any synergy among them…multiple identities are maintained but are separated from each other" (p.26)						

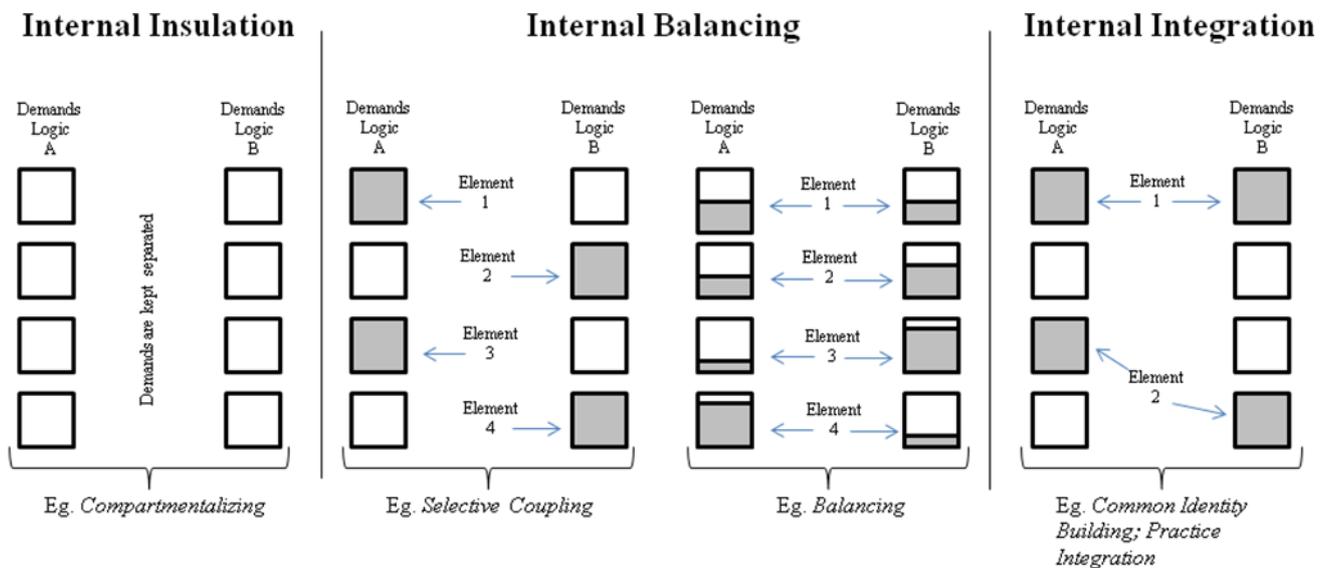### Table 2. Different mechanisms enacted by conflicting institutional logics management strategies

Internal Insulation — Demands Logic A / Demands Logic B — Demands are kept separated — Eg. Compartmentalizing

Internal Balancing — Demands Logic A / Demands Logic B — Element 1, Element 2, Element 3, Element 4 — Eg. Selective Coupling — Eg. Balancing

Internal Integration — Demands Logic A / Demands Logic B — Element 1, Element 2 — Eg. Common Identity Building; Practice Integration

Table 3. List of interviews

| First round interviews	Second round interviews
Business Development Manager	Business Development Manager
Production Manager	Production Manager
Social Activities Manager	Social Activities Manager
Employee 1 (online sales and marketing)	Employee 1 (online sales and marketing)
Employee 2 (product development ans sales)	Employee 4 (occupational therapist)
Employee 3 (accounting and administration)	
Employee 4 (occupational therapist)	
Employee 5 (occupational therapist)	
Employee 6 (occupational therapist)	

Table 4. Organizational structure
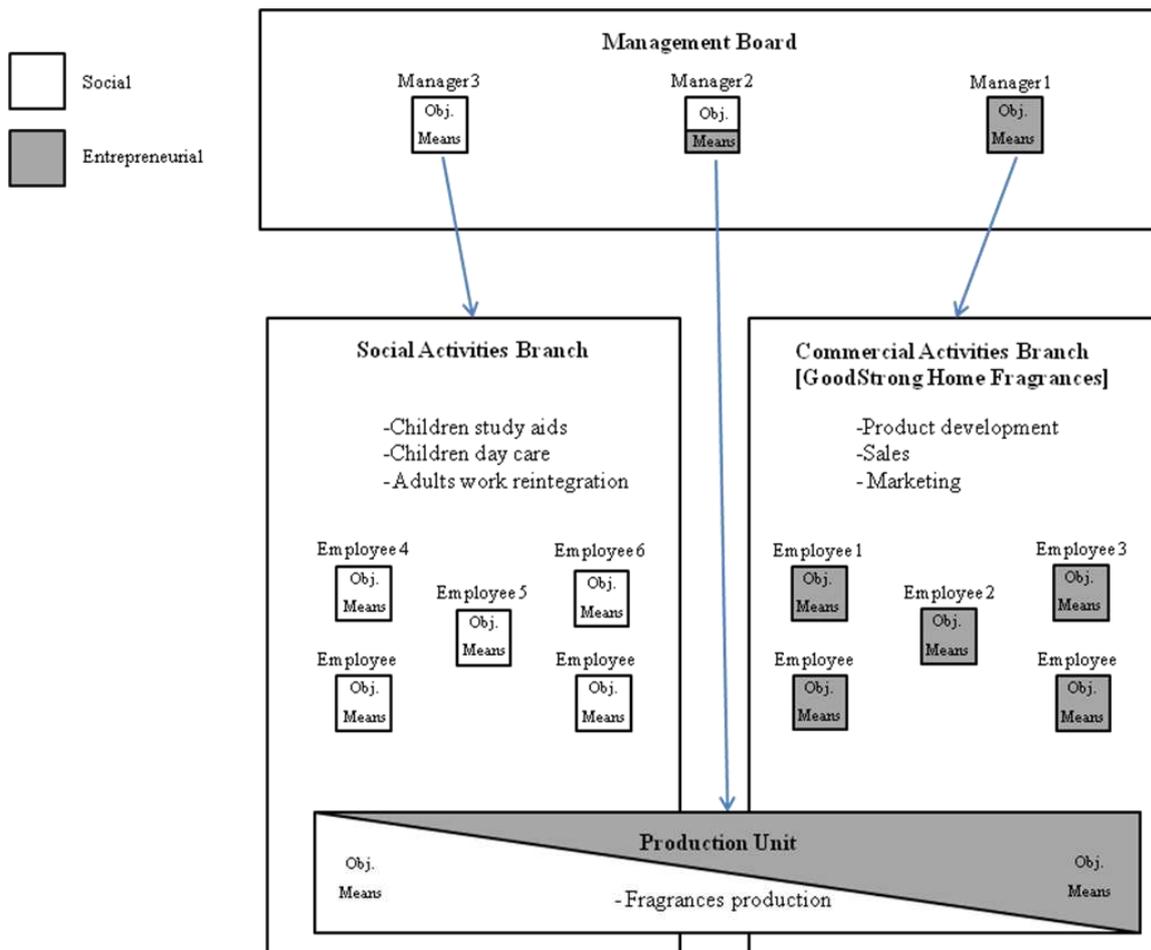
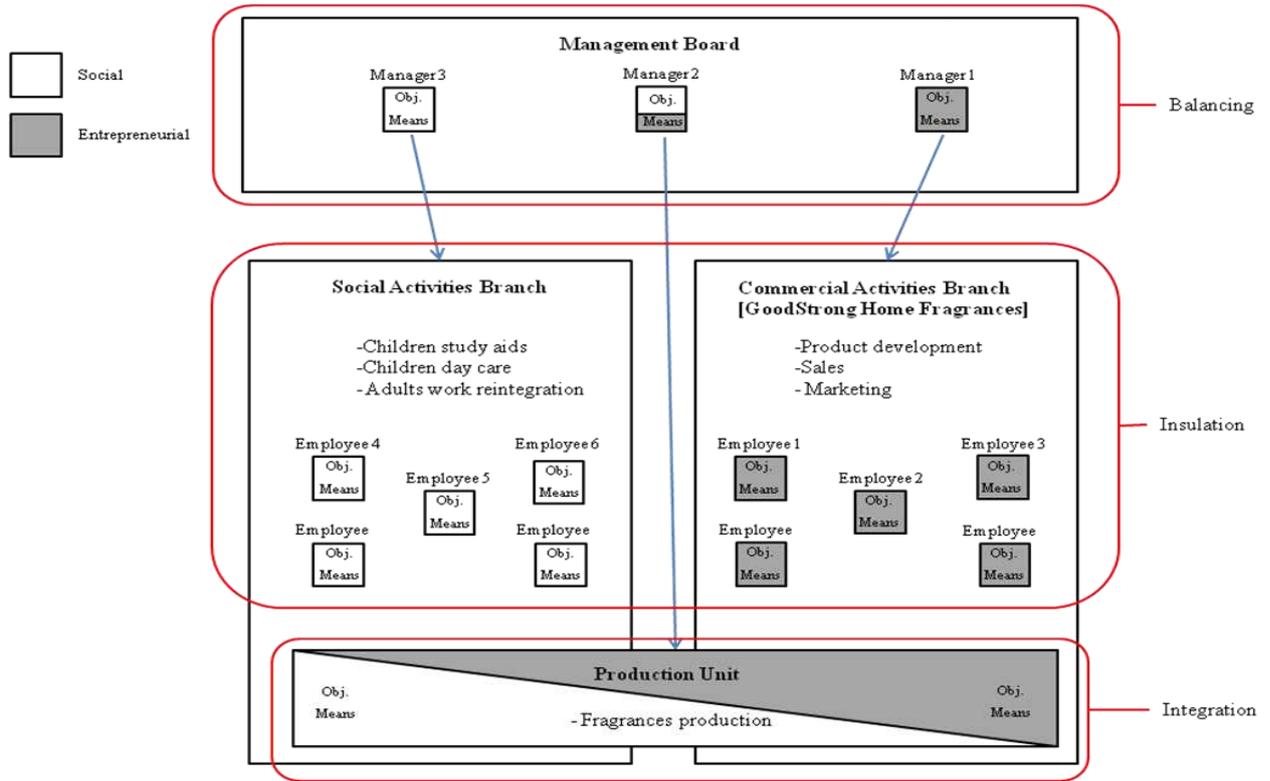Table 5. Conflicting logics management

strategies

Table 6. Relationship between conflicting logics management strategies and survival performance